

McGuireWoods LLP
201 North Tryon Street
Suite 3000
Charlotte, NC 28202-2146
Phone: 704.343.2000
Fax: 704.343.2300
www.mcguirewoods.com

T. Richmond McPherson III
Direct: 704.343.2038

McGUIREWOODS

rmcpherson@mcguirewoods.com

June 11, 2021

VIA ELECTRONIC FILING

Ms. Jocelyn Boyd
Chief Clerk and Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, SC 29210

Re: Public Service Commission Review of South Carolina Code of Regulations Chapter 103
Pursuant to S.C. Code Ann. Section 1-23-120(J)
Docket No. 2020-247-A

Dear Ms. Boyd:

Enclosed for filing are the Further Comments of Piedmont Natural Gas Company, Inc. regarding the Southern Environmental Law Center's proposed new pipeline regulation.

Thank you for your assistance with this matter. If you have any questions regarding this filing, you may reach me at the number shown above.

Sincerely,

/s/ T. Richmond McPherson III
T. Richmond McPherson

TRM/sko

Enclosure

cc: ORS
Bruce Barkley
Pia Powers
James Jeffries

**BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

DOCKET NO. 2020-247-A

In the Matter Of)	
)	
Public Service Commission Review of)	FURTHER COMMENTS OF
South Carolina Code of Regulations Chapter)	PIEDMONT NATURAL GAS
103 Pursuant to S.C. Code Ann.)	COMPANY, INC.
Section 1-23-120(J))	
)	

Pursuant to the Public Service Commission of South Carolina’s (“Commission”) April 23, 2021 Notice and Request for Comments Regarding Proposed New Pipeline Regulation (“April 23 Notice”), Piedmont Natural Gas Company, Inc. (“Piedmont” or the “Company”) hereby submits the following Further Comments in response to the Southern Environmental Law Center’s (“SELC”) proposed new regulation suggested in its initial comments filed on April 6, 2021 (“SELC Comments”).

PROCEDURAL HISTORY OF THIS DOCKET

1. On October 14, 2020, pursuant to S.C. Code Ann. § 1-23-120(J), the Commission opened the instant docket to formally review Chapter 103 of the South Carolina Code of Regulations (“Notice of Review”). In its Notice of Review, the Commission reserved April 16, 2021, as the date to hold a stakeholder workshop to review S.C. Code Ann. Regs. 103-300 *et seq.* and S.C. Code Ann. Regs. 103-400 *et seq.* (“April 16 Workshop”).

2. On December 7, 2020, the Commission filed a Notice of Workshops in which it set April 6, 2021, as the deadline to file written comments and to notify the

Commission of participation in the April 16 Workshop. On February 19, 2021, the Commission issued a Second Amended Notice of Workshops in which it set April 14, 2021, as the deadline to file reply comments.

3. On April 6, 2021, the Blue Ridge Environmental Defense League, the Department of Consumer Affairs, the Niskanen Center, the Property Rights and Pipeline Center, SELC, and Upstate Forever (collectively, “Initial Commenters”) filed comments related to S.C. Code Ann. Regs. 103-400 *et seq.*

4. In SELC’s Comments, SELC proposed a new regulation, “New Pipelines,” that establishes a procedure for the placement and construction of natural gas facilities on a going forward basis. Among other things, SELC’s proposed regulation requires gas utilities constructing or extending a pipeline to provide detailed costs of project, information on whether the proposed project enters an area that is served by an electricity provider, environmental impact and ratepayer impact. After a gas utility files the requisite information at the Commission, SELC’s proposed regulation requires the Commission to schedule a hearing and provide notice of such hearing to the public. At the hearing, the gas utility may make a presentation concerning the proposed pipeline and those interested may ask questions concerning the project. SELC claims that its proposed regulation makes the process by which gas utilities decide to build new lines and exercise eminent domain more transparent, ensures public input, and protects ratepayers.

5. On April 14, 2021, Piedmont filed reply comments in response to the comments filed by the Initial Commenters (“Reply Comments”) expressing its opposition to the additional regulations proposed by SELC and providing its

commitment to thorough and timely engagement with communities impacted by necessary enhancements of the Company's pipeline system.

6. In the April 23 Notice, the Commission stated that there was substantial discussion surrounding SELC's proposed regulation during the April 16 Workshop. The April 23 Notice indicated that the Commission was interested in further comments regarding SELC's proposed regulation and, as such, requested that workshop participants file comments by June 11, 2021, and reply comments by June 25, 2021.

7. Accordingly, Piedmont hereby submits the following Further Comments.

FURTHER COMMENTS

8. Like the other utilities involved in this proceeding, as well as ORS, Piedmont does not believe that SELC's proposed revisions to S.C. Code Ann. Regs. 103-400 are either necessary to serve the public interest or consistent with the Commission's statutory authority over natural gas transmission line siting in South Carolina. Piedmont's fundamental position in this proceeding continues to be that expressed in its April 14, 2021 Reply Comments in this docket that:

The comments and suggestions of the Environmental and Landowner Advocates are contrary to the longstanding practice regarding natural gas system expansions in this State, constitute efforts to effectuate involuntary changes in the way in which energy is provided to the citizens of South Carolina, and are contrary to existing South Carolina Policy as expressed in the statutes governing the relative rights and obligations of various parties impacted by the construction and expansion of utility infrastructure in this State.

9. In this proceeding, SELC proposes a new regulation be enacted which would basically duplicate the statutory siting review process required for electric transmission lines within the State for new gas transmission lines. This proposal is

well beyond both the historic practice of this Commission in reviewing new gas transmission lines and the statutory and regulatory authority granted to and by the Commission in this regard, which is already substantial.¹ It is also well beyond the balanced approach to Commission regulation and powers of eminent domain associated with gas pipeline expansion provided for in the South Carolina Statutes. Notably, the processes contained in the proposed SELC regulation would materially impede the ability of Piedmont and other South Carolina local distribution companies to expand facilities to serve new customers – an obligation Piedmont has to the public under the law of this State. The proposed new siting process would also pose a barrier to the efficient evaluation and remediation of operational chokepoints on Piedmont’s distribution and transmission systems and would invite comments and dispute from parties having no real comprehension of how those systems operate under varying operating conditions.² As such, the proposed new process would also threaten Piedmont’s ability to comply with its obligations to continue the provision of safe and reliable natural gas service to its existing South Carolina customers who desire such service.³ In short, Piedmont sees no statutory or practical basis supporting the need for

¹ See, *e.g.*, PSCSC Rule 103-448 (requiring reasonable expansion of gas systems to serve new customers upon their request); PSCSC Rule 103-460 (requiring construction, installation, maintenance, and operation of gas systems to assure, as far as reasonably possible, continuity of natural gas service and uniformity of quality of natural gas service); PSCSC Rule 103-481 (requiring reasonable efforts to avoid interruptions of service and re-establishment of interrupted service within the shortest possible time).

² As described in its April 14 Comments, the determination of how and when to reinforce Piedmont’s transmission and distribution system, and when and how to expand those systems, involves “highly technical analyses of pipeline operational design and gas flows coupled with varying demand for which Piedmont’s engineers are best qualified.”

³ Notably, Piedmont is making a filing today in PSCSC Docket No. 2021-66-A in which it describes its system planning process that is critical to ensuring the continuity of service to its customers in the case of extreme weather.

the adoption of a siting review regulation for natural gas local distribution companies in South Carolina and a number of significant negative consequences from pursuing such a review mechanism and opposes SELC's proposed regulations on those grounds.

10. In Piedmont's view, and as discussed in more depth in Piedmont's April 14, Comments, SELC's proposed new regulation seeks to overturn the carefully balanced existing statutes and regulations, including the relative rights of parties under the law of eminent domain under South Carolina, governing the ability of natural gas utilities to provide service to new and existing customers in South Carolina. It also seeks to place significant new obstacles to the construction of facilities needed to serve South Carolina customers,⁴ including the imposition of duplicative requirements for review and approval of environmental impacts from the project. None of the proposals included in the new regulation are necessary to serve the public interest or even consistent with the prevailing interests of the State in having access to reasonably priced, reliable, lower emitting natural gas as an energy source. Customer preference should continue to drive natural gas expansion in South Carolina.

11. As Piedmont has previously indicated, it has recently increased its efforts to fully engage communities during the early stages of future projects based upon feedback received and national discourse associated with new natural gas infrastructure construction. Such action will achieve some of the notice goals underlying the proposed regulation change, rendering it unnecessary in this respect, avoiding the inefficiency of a prolonged procedural process that certain advocates may

⁴ As Piedmont noted in its April 14 Comments, it has experienced approximately 9% system growth in the last 5 years

use to limit customer choice and that has not been authorized by the South Carolina General Assembly.

CONCLUSION

Based upon the foregoing, Piedmont respectfully requests that the Commission accept its Comments in this proceeding as previously filed and as set forth above and reject SELC's proposed new regulation on natural gas pipeline facilities siting.

Respectfully submitted, this the 11th day of June, 2021.

Piedmont Natural Gas Company, Inc.

/s/ T. Richmond McPherson

T. Richmond McPherson

South Carolina Bar # 80432

McGuireWoods LLP

201 North Tryon Street, Suite 3000

Charlotte, North Carolina 28202

Telephone: (704) 343-2262

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached is being served this date upon all of the parties to this docket electronically or by depositing a copy of the same in the United States Mail, First Class Postage Prepaid, at the addresses contained in the official service list in this proceeding.

This the 11th day of June, 2021.

/s/ Sloane K. O'Hare
Sloane K. O'Hare